



For Immediate Release

March 3, 2014

Contact: Kendra Kruckenberg

916-322-3116 or 916-201-3108 (mobile)

Runner Sponsors Legislation to Refund Illegal Taxes

SACRAMENTO – George Runner announced today he is sponsoring legislation to extend common sense protections to taxpayers. Two identical measures, AB 2510 (Wagner) and SB 1327 (Knight), would require the state to provide a full refund to all individuals who paid a tax later declared unconstitutional or illegal.

“It is criminal that the State of California can keep money it illegally collects from its citizens,” said Board of Equalization Member George Runner. “Anyone who in good faith pays what ends up being an illegal tax should get their money back. It’s as simple as that.”

Currently, taxpayers are only eligible to receive refunds if they have exhausted all their administrative appeals remedies, even if the tax they paid is later declared illegal or unconstitutional. AB 2510 and SB 1327 would require the state to automatically issue refunds to taxpayers whose information is up to date. It would also open up an additional appeals period of one year after a state tax is declared illegal or unconstitutional, giving taxpayers a chance to apply for the refunds they deserve.

“When government makes a mistake, they need to do the right thing. This bill would return illegally collected taxes to the taxpayers... it’s just common sense,” said Senator Steve Knight (R-Antelope Valley).

“When California taxpayers have been illegally forced to pay a tax, it should not be their responsibility to fill out paperwork that they may or may not know exists, in order to recoup this money. The State needs to reimburse the taxpayers as quickly and painlessly as possible – it is not our money,” said Assemblyman Donald Wagner (R-Irvine).

The bills would apply to state taxes and fees paid by both businesses and individuals, including the controversial Fire Prevention Fee. Even if a class action lawsuit challenging the fire fee is successful, under current law only taxpayers who filed appeals within 30 days of the date on their bills would be eligible for refunds.

Elected in November 2010, George Runner represents more than nine million Californians as a member of the State Board of Equalization. For more information, visit www.boe.ca.gov/Runner.

#